

PROGRAM OF WORK AND BUDGET  
LAWS AND RULES REVIEW COMMITTEE

Chair: Iris R. Okawa  
Vice-Chair: Louis Abrams

FISCAL YEAR 2004

REAL ESTATE RECOVERY FUND

- continuous program
- provide information and advice; process and administer claims; coordinate responsibilities with consultant attorneys; administer contracts with consultant attorneys; administer records management
- maintenance and review of budget, finance, and records for RERF; develop and adopt investment guidelines, administer contract with investment consultant; provide quarterly and annual financial statements
- develop a collection program; continue to administer the State Tax Intercept Program; feasibility of contracting with collection agencies; etc.
- administer contracts with consultant attorneys; consultant attorneys to make recommendations on whether to renew assigned judgments for collection purposes and periodically initiate collection efforts, such as researching conveyance and real property tax records
- provide annual statistical data about the claims/payouts/issues; provide quarterly case summary reports and to included in bulletin/annual report/webpage; provide the aforementioned to any interested party
- administration and funding of staff position
- determine feasibility and recommendations of electronic administration, including scanning of documents on CDs for record purposes and electronic case tracking, April 2004

- develop, print, and distribute simple plain language brochure on the requirements and procedures to file for the recovery fund; include in website, November 2003

#### **REAL ESTATE LICENSING, REGISTRATION & CERTIFICATION ADMINISTRATION**

- continuous program
- review and recommend amendments to licensure requirements to improve consumer protection, or streamline the licensing program for new real estate licenses, including salespersons, brokers, corporations, partnerships, sole proprietors, branch offices, broker experience, including laws, rules, policies, procedures, forms, information, records management, review process, etc.; implement recommendations from "Review of Services and Organization" program of work, as applicable
- handle appeals for license/certification/registration denials, including subpoenas, review, refer, and coordinate with Hearings Office, Attorney General Office, PVL, testify at hearings
- subpoenas for records/documents, appearance, or deposition for civil or criminal cases before the courts or from government agencies, review, refer and coordinate with PVL, AG's office, OIP, court reporter
- plan, implement, and administer any new Acts and rules amendments that affect real estate licensing
- review and prepare summaries of on all disciplinary cases and application appeal cases for Bulletin/webpage/annual reports; periodically research and present analysis of disciplinary cases
- research and report on the feasibility of examination consultant providing appropriate services to assist in licensing, including but not limited to provisional licensing at exam site and records management, joint program with ERC

## **ADVICE, EDUCATION, AND REFERRAL**

- continuous program
- via telephone/correspondence/walk-in/fax/website/email, provide advice, education, and referral to applicants, licensees, government officials, consumers, public, media/press, including research, reproduction, mailing, etc.
- print or reprint and distribute REC educational materials, including PB/BIC distribution; provide educational materials through REC website
- administer and provide requestors with access to public information and records, including requests for copies, subject to compliance with Uniform Information Practices Act and other related laws; work with PVL Program Specialist and OIP
- respond to inquiries, requests, and constituency requests for Governor, Lt. Governor, Director, Deputy Director, Licensing Administrator, DCCA Division Chiefs, Legislators, Congressional members, Mayor, Council Members, and other government officials, including research, troubleshooting, collaboration, mediation, and drafting response.
- collect and provide quarterly statistical data on telephone, walk-in, correspondence, fax, website hits, and email assistance
- joint program with Education Review Committee

## **RULE MAKING, CHAPTER 99**

- carryover program
- study and evaluate Chapter 99, HAR, and Chapter 467, HRS, for possible rule making; priority on issues from draft K-8 which could not be considered in SWAT I and housekeeping matters from SWAT I, February 2004; among others, REC decisions, informal and formal opinions, declaratory rulings, criteria for rehabilitation of applicants, MCE, prelicensing

matters, advertising, restorations, principal broker, CHO, and deregulation where possible without reducing consumer protection and/or reducing State resources

- research, draft, review and comment, informal consultation with Deputy Attorney General and initiate rule making; administer process, hearing process and approval procedures, public notices
- upon request, provide briefings to licensees and organizations
- provide informal notice of public hearing and proposed amendments through REC website; provide formal notice of public hearing and proposed amendments as per UIPA
- print and distribute copy of any rule amendments to principal brokers and brokers in charge, if feasible in conjunction with amended law distribution; determine and recommend on the feasibility of electronic distribution

#### **SUBCOMMITTEES**

- subcommittee on internet advertising and VOWs: study, consult with NAR, ARELLO, HAR, RICO, and others, provide report and any recommendations including rule and/or statutory amendments, Admin bill deadline is August 2003
- subcommittee on referral fees and license recognition: study, consult with NAR, ARELLO, HAR, RICO and others, provide report and any recommendations including rule and/or statutory amendments
- subcommittee on property manager licensing and related issues: study and consult with ARELLO, HAR, RICO, and others, provide report and any recommendations including rule and/or statutory amendments

## **MEETINGS**

- continuous program
- plan, coordinate, and conduct monthly LRRC meetings; including arrangement for facilities, agenda, testifiers, and minutes; pre- and post meeting requirements, briefing of and coordination with Chair; provide agendas and meeting schedules to participants, HAR, and upon request, include in REC website
- joint program with Education Review Committee and Condominium Review Committee
- coordinate dates and times with HAR and Boards of Realtors to avoid conflicts

## **LICENSING RENEWAL**

- continuous program
- develop and administer plan for license renewal, work with PVL on electronic renewal, distribution of renewal application forms, including coordination of MCE; outreach programs with Licensing Branch on Batch Renewals and Steps to a Better Renewal, plus in conjunction with Specialists of the Day
- distribute a licensing roster of all current real estate salespersons to principal brokers to update records at least 6 months prior to renewal deadline
- joint project with Licensing Administrator

## **LEGISLATIVE AND GOVERNMENT PARTICIPATION**

- coordinate with Administration
- provide briefings to Legislators and staff, act as resource to Legislators, draft language, draft committee reports, etc.
- research, study, and draft written testimony on non-REC bills; provide oral testimony at hearings, etc.

- respond to and work on inquiries/complaints/requests for information/general assistance, including Governor, Lt. Governor, Legislators, Mayors, Council Members, Congressional Members, and other government officials, including foreign governments, especially Pacific Rim
- joint program with Education Review Committee

#### **INTERACTIVE PARTICIPATION WITH ORGANIZATIONS**

- continuous program
- continue active participation with Hawaii, Pacific Rim, National and International organizations and government agencies for the exchange of information and concerns, sharing of educational and research efforts, joint projects of mutual concern, training, etc. through attendance and participation at local, regional, international, and national meetings
- joint program with Education Review Committee

#### **LEGISLATIVE ACTS AND RESOLUTIONS**

- continuous program
- review legislative acts; amend Chapter 467 public copy and work with ASO for publication; develop summary briefing for bulletin/website, Commissioners/Staff
- plan and implement requirements of acts and resolutions
- purchase or reimburse ASO and distribute copy of amended Chapter 467 and rules to all principal brokers and brokers in charge, and new brokerages; reserve copies for future distribution, study feasibility of distribution through proposed PB/BIC email system
- upon request, provide legislative briefings

## NEIGHBOR ISLAND OUTREACH

- continuous program
- hold a minimum of 3 LRRC meetings on neighbor island sites, with CRC and ERC; islands of Kauai, Maui, and Hawaii are the pre-selected sites with dates to be determine
- consideration to hold meetings in collaboration with local Board of Realtors, HAR, educational organizations, condominium organizations, etc.
- joint program with ERC and CRC

## REVIEW OF SERVICES AND ORGANIZATION

- continuous program
- analyze and initiate steps to improve the services provided or amend processes without compromising consumer protection, to streamline for effectiveness and efficiency, amendments to laws, amendments to rules, amending forms, amending the system, staffing, equipment, reorganization, partnerships with consultants, etc.
- conduct meetings and exchanges with Licensing Branch to improve services, clarify and amend procedures/forms/ policies/rules/public responses; conduct training sessions for Licensing Branch personnel
- development and implementation of improved and timely license verification and history program with disciplinary and complaint information, forms, computerization; work with DCCA's website on license information and complaints history
- collect computerized data on applications and provide periodic statistical reports including numbers of filings, processing time, etc.
- joint program with Licensing Administrator for overall REB and PVL services

## **APPLICATION PROCESSING AND FORMS**

- continuous program
- study and evaluate the processing of application forms, the wall and pocket card license; evaluate and amend forms and instructions; assist in mainframe computer programming issues
- study and report on other electronic/computer methods to improve application processing and providing a database, including additional uses of bar coding and services offered by testing companies and others
- continue providing more application forms through Internet in coordination with PVL D. See ERC program of work under "New Technology Program"

## **ARELLO NATIONAL DISCIPLINARY ACTION DATA BANK**

- continuous program
- continue participation in the ARELLO National Disciplinary Action Data Bank to assist in background review of applicants and assist in consumer protection nationally, prepare and provide periodic reports to ARELLO
- participation through testing contract whereby every exam applicant will be reviewed through data bank
- request and review applicants with data bank, follow-up negative reports with host jurisdiction and secure further information on the disciplinary matter

## **CASE LAW REVIEW PROGRAM**

- continuous program
- monitor, collect, and report on case law, disciplinary actions on other licensing areas that are relevant to real estate licensees, judgments and decisions on Hawaii court cases, federal court cases, and other states court cases; material cases



to be considered for Real Estate Bulletin and  
webpage

- report on Hawaii specific cases to ARELLO annually

#### **RULE MAKING, CHAPTER 53, FEES**

- continuous program
- monitor and review services provided in relation to fees charged, research/study, make recommendations, develop drafts, administer rule making, hearing, approval; in coordination with Licensing Administrator
- administer with Licensing Administrator any submission through review process, hearing, approval, and implementation

#### **COMMISSIONERS EDUCATION PROGRAM**

- continuous program
- research and draft amendments to REC Reference Book, August 2003
- hold orientation sessions for new Commissioners and annual workshop for all Commissioners
- continue usage of CLEAR Board Member Training Manual and ARELLO Commissioner Training Program
- participate in training of Commissioners as provided by ARELLO, REEA, CAI, CLEAR, and other organizations

#### **DIVISION AND DEPARTMENT PROGRAMS**

- continuous program
- coordinate and work with PVL, DCCA, and others on any program of mutual concern, joint program with ERC and CRC
- review, analyze, and coordinate positions on Chapter 436B as it relates to Chapter 467 and Chapter 514A

with PVL and the AG's Office, including self-executing provisions.

- RICO Advisory Panel: work, recommend, and coordinate with RICO

#### **HUD/ARELLO FAIR HOUSING AGREEMENT**

- continuous program
- administer the terms of the agreement and coordinate review by HUD officials
- participate with ARELLO Fair Housing Committee and work with ARELLO on the terms of the agreement

**PROGRAM OF WORK AND BUDGET  
EDUCATION REVIEW COMMITTEE  
Chair: Vern Yamanaka  
Vice-Chair: Trudy Nishihara**

**FISCAL YEAR 2004**

**CONTINUING EDUCATION CORE COURSE**

- carryover program
- research and report on recommendations on the future of the core course, including course development through consultant, utilization of existing courses, multiple options for licensees to meet core course requirement, feasibility of utilizing other courses as an equivalency to the core course, joint development program with HAR, review California's program, feasibility of electronic class, or termination of core course requirement; consider contracting with consultant
- administer REC core course and equivalent core courses, its certification; distribution of curriculum materials to providers, provide monitoring and evaluation
- contract with consultant to research and develop curriculum for REC core course

**BROKER CURRICULUM AND RESOURCES**

- carryover program
- develop and implement new broker curriculum with HAR, appointing and utilizing task force in collaboration with prelicensing schools and instructors, professional organizations with certification programs, ASI, REEA, ARELLO, and other states; emphasis on utilizing existing education mediums
- organize subcommittee on broker curriculum consisting of various members of the real estate industry to review, study, and make recommendations on the education of broker candidates and broker licensees, including pre and post-licensing education, mandatory CE courses for PBs/BICs, feasibility of special examinations, etc.
- contract with consultant to research and develop broker curriculum, including arriving at consensus with prelicensing schools/instructors, HAR, local boards, DCCA/PVL, exam consultant, broker curriculum subcommittee, and other interested parties

## **ADVICE, EDUCATION, AND REFERRAL**

- continuous program
- provide advice, education, and referral to applicants, licensees, government officials, consumers, public, organizations, etc., including research, reproduction, mailing, etc.
- develop a distribution system of educational and informational products to each principal broker and broker in charge, consider utilizing an email service and/or special webpage for principal brokers and BICs
- publish and distribute educational and informational materials; provide educational materials through REC website; update agency educational materials and provide through website
- administer and provide requestors access to public information and records, including requests for copies; subject to compliance with Uniform Information Practices Act and working with PVL Program Specialist or the Office of Information Practices
- respond to inquiries, requests and constituency requests for Governor, Lt. Governor, Director, Deputy Director, Licensing Administrator, DCCA Division Chiefs, Legislators, Congressional members, County Officials, and other government officials, including research, troubleshooting, collaboration, mediation, and drafting responses
- collect and provide statistical data on telephone, walk-in, and correspondence assistance
- study and report on the feasibility of providing information and advice with less resources, including use of telephonic prerecorded information system and participation in local e-mail systems and e-government
- maintain and improve webpage through internet; consider controlled use of e-mail
- joint program with LRRC

## **ADMINISTRATION OF PRELICENSE EDUCATION PROGRAM, SCHOOLS, AND INSTRUCTORS**

- continuous program

- administration of prelicense school and instructors, applications, approval process, information, renewals, certification, records management, re-evaluation, etc.; periodic meetings
- coordination of instructor's examination program
- administration of evaluation system on schools and instructors
- research, development, printing, and distribution of quarterly "School Files", a bulletin for educators; a joint program with Continuing Education Program
- periodic meetings with schools and instructors for exchange of concerns, information, amended laws and rules, etc.

#### **ADMINISTRATION OF EXAMINATIONS**

- continuous program
- administration of real estate licensing examination program including contract administration with Promissor under contract extension, information, trouble shooting, review and amendments to application booklets, periodic reports, daily exams, implement examination at Promissor sites out-of-state, etc.
- coordinate periodic Promissor workshop for schools, instructors, Commissioners and REB staff, test site administrators
- administer instructor examination program
- monitor all exam sites (including neighbor islands) at least once per year, report, recommend, etc.
- participate in the national uniform test development programs
- continue participation in the ARELLO examination certification program and the ARELLO education fund fee
- coordinate, conduct, and administer test development sessions with Promissor including selection and coordination of panel members, develop listing of volunteers from various specialties areas in real estate
- monitor and review of curriculum; provide timely laws and rules update report to Promissor; coordinate the implementation of any amended

curriculum for salesperson and broker into the examinations; and assist with issues on exam content/curriculum/exam questions

- development and implementation of scenario type questions, research and report on simulation exams
- joint program with LRRC on feasibility of examination consultant providing appropriate services to assist in licensing, including a system for an online reference file for prelicensing school certificates, prelicensing education equivalency certificates, uniform section equivalency of prelicensing examination certificates, broker prelicensing experience certificates that will eliminate the inspection of certificates at exam sites and with Licensing Branch

#### **ADMINISTRATION OF CONTINUING EDUCATION PROGRAM, PROVIDERS, AND INSTRUCTORS**

- continuous program
- administration of continuing education program, providers, instructors, courses, information center, records management, etc.
- research, development, printing, and distribution of quarterly "School Files", a bulletin for educators; a joint program with Prelicense Education Program, consider utilizing a special email system and/or webpage
- development, printing, and distribution of continuing education courses schedule, consider as part of proposed email program to principal brokers
- periodic meetings (including neighbor island sites) with providers and instructors for exchange of concerns, information, amended laws and rules, etc.; consideration on providing these meetings in conjunction with Neighbor Island Outreach and Real Estate Specialists Office of the Day
- feasibility study into the delivery of CE courses through other means, including home study, interactive video and computer programs, HITS, television, cable TV, self study with challenge exams, internet, etc.
- study, develop, and report findings on criteria to determine equivalencies to continuing education courses

- study, draft, and implement amendments to MCE program via legislative act, including forms, instructions, and rule making;
- information on providers, courses, instructors, and class schedules to be distributed via REC webpage and hard copies
- continue to provide on REC website: CE course completion of each licensee, course schedules, list of approve providers/instructors/courses, core course equivalencies
- coordinate and provide administration of CE Task Force who will be studying CE related issues, concerns, and recommendations, working with HAR and CE providers, including considering special requirements for PBs and BICs, increasing hours, annual mandatory courses, course examination, and privatization

#### **ADMINISTRATION OF CONTINUING EDUCATION ELECTIVE COURSES**

- continuous program
- provide administrative information to elective course providers and licensees, assist providers in submissions, review submission applications, review submitted curriculum, make recommendations, and records management

#### **MEETINGS AND SYMPOSIUM**

- continuous program
- plan, coordinate, and conduct monthly Education Review Committee meetings; including facilities arrangements, agenda, testifiers, and minutes; complete pre- and post meeting requirements, briefing of Chair and SEO; provide agendas and meeting schedules to participants and upon request, include in REC website
- plan, coordinate, and produce symposium, when necessary, to develop or amend program of work and budget; including facilities arrangements, speakers, agenda, testifiers, etc.
- joint program with LRRC

#### **ANNUAL REPORT AND QUARTERLY BULLETIN**

- continuous program

- research, edit, printing, and distribution of quarterly REC bulletin; contract administration with consultant, procurement code management; provide for guest articles from the real estate community  
DEADLINE TO PRINT: End of July, October, January and April
- annual report shall include CMF annual report for completion by December 31 of which costs shall be divided evenly between REEF and CEF, for distribution to Legislature and Governor only, electronic distribution
- REC bulletin and annual report shall be placed on the REC webpage immediately upon completion either by completion of article or prior to distribution, and continue studying the feasibility of eliminating printing and distribution of hard copies through electronic distribution, the goal is to provide more up to date information on the webpage, including electronic delivery of bulletin to each licensee
- develop and conduct survey thru bulletin for comments, recommendations, topics, internet usage, delivery by email or webpage, CE, prelicensing, etc.

#### **REAL ESTATE EDUCATION FUND (REEF)**

- continuous program
- maintenance and review of budget, finance, and records for REEF; preparation of quarterly and annual financial statements; preparation of annual and biennial budgets; administration of fund investment programs including contract administration and procurement code management
- finalize contract approval with AGO and DCCA

#### **NEIGHBOR ISLAND OUTREACH**

- continuous and carryover program
- hold a minimum of three ERC meetings on neighbor island sites, with CRC and LRRC; islands of Kauai, Maui, and Hawaii are the preselected sites with dates to be determined
- consideration to hold meetings in collaboration with local board of Realtors, HAR, educational organizations, condominium organizations, etc.
- special education or outreach work at neighbor island sites for issues of concern



- joint program with LRRC and CRC

#### **INTERACTIVE PARTICIPATION WITH ORGANIZATIONS**

- continuous program
- active participation with Hawaii, Pacific Rim, national, and international organizations and government agencies for the exchange of information and concerns, sharing of educational and research efforts, joint projects of mutual concern, training, etc. through attendance, membership and participation at local, regional, national and international meetings; including Real Estate Educators Association (REEA), Association of Real Estate License Law Officials (ARELLO), Council on Licensure, Enforcement, and Regulation (CLEAR), National Association of Realtors (NAR), Hawaii Association of Realtors (HAR), Board of Realtors, Hawaii State Bar Association, IREM, National Land Council, etc.
- Commissioner and staff member participants shall participate in all communications, attend all pertinent meetings/workshops, and take an active role in representing the interests of the Commission, PVL, DCCA, and the State, especially taking an assertive role in all certification programs, participants to provide a written report to Commission/PVLD/DCCA of all participation
- joint program with LRRC

#### **REAL ESTATE SEMINARS**

- continuous program
- provide for a statewide seminars for real estate licensees and/or consumers through a contractor via subsidy, sponsoring, assisting, or co-sponsoring
- priority to utilize existing REC educational materials, and produce cost effective programs utilizing State or public type facilities
- cancellation policy based on minimum early registration requirement, complimentary admissions for Commissioners, staff members, RICO staff members
- administration of contract with consultant under procurement law, consider adding other consultants including local board of realtors, government agencies, etc.

- develop and deliver seminars for PBs and BICs

#### **LEGISLATIVE PARTICIPATION, RESEARCH, AND REPORT**

- continuous program
- research, participate, and/or report on any request by the Legislature, including resolutions, agreements, and issues of mutual concern
- joint program with LRRC

#### **INSTRUCTOR'S DEVELOPMENT WORKSHOP**

- continuous program
- development, sponsoring, coordination, and/or producing of instructor development workshops for prelicensing and continuing education instructors to meet rule requirements; feasibility of video taping and/or HITS; study the feasibility of interactive video program
- research and administer requests for equivalency to other instructor development workshop
- development and production of a special instructor development workshop using continuing education core course
- administration of contract with consultant under procurement law
- consider partnership with REEA and/or with local board of realtors for a local IDW

#### **EVALUATION AND EDUCATION SYSTEM FOR CE AND PRELICENSING INSTRUCTORS**

- continuous program
- in a collaboration with the Hawaii Association of Realtors, HARES, and other approved persons, continue to administer evaluation system of prelicensing and continuing education instructors which can provide an evaluation of teaching ability and subject knowledge; student evaluation forms that are handled independent of the instructor; develop evaluation system to a peer review system; the evaluation program must be in conjunction with an educational component to assist an instructor with substandard teaching ability and/or subject knowledge; the evaluation system shall provide for periodic reporting to REC

- research and report including an evaluation on the program and recommendations as to the continuance of the program and if continued, how it is to be administered, feasibility of peer review administration, volunteers, or contractor
- research and report on the feasibility of online/electronic evaluation system

#### **REAL ESTATE SPECIALIST OFFICE FOR THE DAY**

- continuous program
- real estate specialists set up office at RICO neighbor island offices or other sites to provide advice, education, and referral with advanced publicity, mail outs, and appointments; upon request, provide training to RICO investigators
- where possible, consider a joint program with condominium specialists office of the day program and combining with other programs for the neighbor islands
- coordinate with local boards, holding it at board's offices or in conjunction with a board function

#### **REAL ESTATE SPEAKERSHIP PROGRAM**

- continuous program
- subject to State government approvals and priorities, honor request to provide a speaker, resource person, or participant in a function related to real estate education. The participant to be either Supervising Executive Officer, Executive Officer, Real Estate Specialist, Commissioner, or other Staff member

#### **PRELICENSING EDUCATION EQUIVALENCY ADMINISTRATION**

- continuous program
- continue evaluating educational requirements of other States and jurisdictions in coordination with ARELLO; report findings and propose amendments to the prelicensing education equivalency, forms, instructions
- review, approve or deny, or present to REC applications for prelicensing educational equivalency; including coordination with Licensing Branch and applications for broker experience certificates

- consider a consolidated application with uniform section equivalency, and an electronic certification system for exam sites and Licensing Branch to verify

#### **UNIFORM SECTION EQUIVALENCY OF PRELICENSING EXAMINATION**

- carryover program
- administer uniform section equivalency program which recognizes the passage of the uniform part of another jurisdiction's exam
- administer exam contract provision on utilizing either part of exam for different purposes

#### **NEW TECHNOLOGY PROGRAM AND REC WEBSITE**

- continuous program
- administration of in-house and network computer system, coordination with DCCA's coordinator, training of staff, purchases of hardware and software, programming, etc.
- utilization of laptop computer for screen projection at meetings, symposiums, training, etc.
- administer scanner for use with network and other programs
- shared with CEF budget
- work with DCCA and PVL on Department and Division plans on technology, computer systems, network, etc., including joint venturing projects and purchases
- administration and maintenance of REC website with long range goal that it be the main source of communication and information to licensees, applicants, and the consumers
- feasibility and purchase of fax on demand services for applicants, licensees/registrants, and the public, which will include all applications and instructions, info sheets, etc. with consideration for joint venturing with PVL
- continue to work on the feasibility of placing all REC forms, applications, information sheets, change forms, education forms, licensing forms on REC website

- study and report on the feasibility of email service to PBs and BICs

#### **RECORDS MANAGEMENT**

- carryover program
- evaluate, plan, reorganize, and implement a centralized, consistent, user friendly, computerized glossary of the existing and future records and files (documents and computer); administration with REB, PVL, and DCCA policies and other statutory requirements
- administration of Records Report System and Uniform Information Practices Act with consultation with the Office of Information Practices; user friendly access to public information
- research alternatives for records storage (computerization, scanning, optic readers, CD Rom, microfilm, etc.) and public information provided via local e-mail systems or e-government; implement new scanning/CD of records and the delivery of public information through website
- consider EH, consultant, or special training

#### **INFORMATION DISTRIBUTION SYSTEM**

- carryover program
- research, development, and implementation of a centralized information distribution system for all the education products produced by the REC and HREREC; a standardized policy and procedure for distribution, purchasing, copyright, specific permission copying or generic permission copying of brochures, reports, video tapes, etc.

#### **NEW SALESPERSON AND NEW BROKER STARTUP KITS**

- continuous program
- package and distribute startup kits to newly licensed salesperson which will include but not limited to Licensee Guide, latest annual report, past available bulletins, and special distribution materials with a cover letter Chair message; Message to include recommendation to initiate own reference library
- package and distribute startup kits to newly license sole proprietor, corporation, and partnership brokers which will include but not limited to PB/BIC

Brochure, Advertising Brochure, Fair Housing Brochure, RICO handout, Chapters (467, 436B, 99), REB Info Sheet, latest annual report, past available bulletins of interest, and other special distribution materials with a cover letter Chair message, to include recommendation to initiate own reference library, costs of printing, purchasing, and distribution of materials by Real Estate Education Fund

#### **COOPERATIVE EDUCATION, RESEARCH, AND ADMINISTRATION PROGRAM**

- continuous program
- actively participate and sponsor cooperative education, research and administrative programs for those persons, Branches, Divisions, Department personnel, Attorney General's Office that provide direct or indirect services to REC or are part of a real estate related program

#### **DIVISION AND DEPARTMENT PROGRAMS**

- continuous program
- coordinate activities and programs of mutual concern with PVL and DCCA.
- joint program with LRRC and CRC

#### **STAFF AND COMMISSIONERS DEVELOPMENT**

- continuous program
- development and training of staff and commissioners for better administration of the real estate programs
- participate in training and educational opportunities provided by REEA, ARELLO, CAI, CLEAR, and other organizations

#### **REAL ESTATE REFERENCE LIBRARY**

- continuous program
- subscribe and purchase real estate reference materials for public review, study and report on the feasibility of a program through the Hawaii State Library system similar to the Condominium Review Committee's program
- organize all real estate reference materials including periodicals, books, reports, seminar/workshop materials, other states

information, etc., into a standardized system that is user friendly and computerized

- review and decide on pertinent reference materials, purchase and stock REB reference library and consider State Library System
- include in REC webpage a catalog of public reference materials available in REB office

**PROGRAM OF WORK AND BUDGET  
CONDOMINIUM REVIEW COMMITTEE  
Chair: Mitchell A. Imanaka  
Vice-Chair: Peter Rice**

**FISCAL YEAR 2004**

**RECODIFICATION OF CHAPTER 514A**

- carryover program
- based on Act 213 (2000 SLH) and the 1995 REC report to the Legislature in response to Act 185, Section 4 (SLH 1995) entitled, "A Plan to Recodify Chapter 514A, Hawaii Revised Statutes, Condominium Property Regime"
- research, discuss, exchange, develop report and recommendations; meet and discuss with the various sectors of the condominium community; interact with various state, national, and international organizations and government entities
- provide briefings, updates, and presentations to the condominium community, Administration, including on the REC website, Condominium Bulletin, Real Estate Bulletin, etc.
- administer "Blue Ribbon Panel" consisting of condominium attorneys and members of the condominium community
- conduct public hearings in each county and administer other requirements from the 2003 legislative act
- completion and submission of legislative bill at least 20 days prior to start of the 2004 session, including briefings to Senate CPH Chair and House CPC Chair and other legislators and staff, include in bill continuation of position and funding to provide education to the condominium community on the recodified law and draft any required rule making and develop any required resources

**ADVICE, EDUCATION, AND REFERRAL**

- continuous program
- provide advice, education, and referrals to the condominium community, applicants, consumers, licensees, government officials, organizations,



public, etc.; including research, reproduction, mailing, etc.

- amend, print and distribute copy of §514A, HRS, and Rules to each registered association and registered condominium managing agent
- administer and provide requestors access to review public information and records, including requests for copies; subject to compliance with Uniform Information Practice Act and working with the Office of Information Practices
- collect and provide statistical reports on telephonic, walk-in, and correspondence on the above
- study and report on the feasibility of providing information and advice on telephonic prerecorded messages and providing to e-mail systems including e-government, webpage, etc.
- maintain and improve webpage through internet; consider controlled use of e-mail, include education calendar and condominium database; add section to webpage on most commonly ask questions
- augment delivery of advice, education, and referral, including print, media and community-based interactive efforts ("Condo Moments," "Condo Corner," twp 30-minute PBS broadcasts focusing on current condominium issues)
- study feasibility of a monthly on-line chat discussion with a condominium specialist on pre-selected topics; promoting self governance by providing a forum for associations to network and problem solve together

#### CONDOMINIUM PROJECT AND DEVELOPER'S PUBLIC REPORTS

- continuous program
- administer the registration of condominium projects and the issuance of effective dates for developer's public reports
- continuous evaluation of the process, records, forms, information documents, rules, coordination with other governmental agencies, coordination with attorneys, etc., to ensure a more timely processing and review time, update and amend all project forms and instructions

- administration of condominium consultants, examine contracts and Procurement Law with initiation of any requirements, develop an evaluation system on consultants which includes monitoring and providing reports to REC on each condominium consultants assignments and performance
- review and update checklists, send information and decisions to developers and attorneys on website
- administer and provide public access to review developer's public reports and other project documents, including request for copies; subject to compliance with the Uniform Information Practice Act and working with the Office of Information Practices; continue to administer Condo Log in Pacific Business News; implement plan of providing access to developer's public reports through compact discs, State Library locations, REC webpage, etc.
- continue to compiling and indexing all information/decisions to developers, condominium consultants, and others; including periodic distribution
- plan, develop, and administer any legislative amendments into the registration program; especially Act 237 with the Time Share Administrator
- implement plan of listing of projects with current developer's public reports on REC webpage
- provide quarterly statistics on CPR registration, developer's public reports, and the processing
- implement plan of electronic administration including scanning of documents on CDs and computerized project tracking, utilizing overtime and/or contracted vendors
- study, report, and recommend a comprehensive evaluation system on the registration and review process, including the use of evaluation forms by developers and attorneys

#### **HAWAII CONDOMINIUM BULLETIN**

- continuous program
- developing, writing, editing, low cost printing and distribution of a quarterly bulletin to all registered condominium associations (board of directors) and CMAs; target board of directors and apartment owners in the management of AOAOS;

consider utilizing materials previously developed by REC or others with permission; master education/meeting calendar, pertinent case law review, etc.; plan, develop and provide for guest articles on relevant topics; lead staff member to work with Commissioners to provide an advance plan, deadline dates, and topic outline at least 45 days in advance of distribution deadlines; DISTRIBUTION DEADLINES: 15<sup>TH</sup> of August, November, February and May

- provide copies to registered AOA and CMA as follows:

AOA:	6 - 7 apts	1 bulletin
	8 - 200 apts	7 bulletins
	201 and over apts	11 bulletins
CMA:	7 bulletins	
- provide for one bulletin distribution to include a copy of the amended Chapter 514A, HRS, and one bulletin distribution to include a copy of the amended Chapter 107, HAR, when approved; purchased or reimburse costs to ASO
- upon completion and before printing/distribution, contents of bulletin shall be immediately submitted to the REC website
- administer contract with consultant and all services under the procurement law
- develop plan for in-house electronic publication including software determination and training
- develop and include a survey-evaluation of bulletin plus include surveys from various other programs
- develop article on AOA utilizing technology for self-governance, information, discussion, exchanging, documents, etc.
- study feasibility of either increasing bulletin up to 12 pages with the addition of a developer's section, or a developer's bulletin, or a special webpage for developers

#### CONDOMINIUM MEDIATION AND ARBITRATION PROGRAM

- continuous program
- condominium governance mediation, continue program and administer contracts with condominium mediation subsidy program and training

- initiate and work with Mediation Center of the Pacific to provide educational seminars to board of directors, apartment owners, CMAs on purpose of alternative dispute resolution and mediation, as well as providing training to consultants
- administer consultant contracts; continue to review the demand for additional consultants
- collect data, monitor and consult with arbitration groups including American Arbitration Association and Dispute Prevention and Resolution
- development and collection of information and statistical data for education and annual report purposes, especially mediation under Act 232 (SLH 2001); in addition, provide periodic reports to CRC on material information on each case submitted for subsidy programs which is to be utilized in education programs including Condo Bulletin and REC Webpage
- proactively promote REC funded mediation programs, including the distribution of the condo mediation brochure
- coordinate joint complaint/mediation program with RICO with funding from CEF, see Division and Department Program
- study the feasibility of the CMEF funding the filing of an arbitration

#### CONDOMINIUM ASSOCIATION REGISTRATION

- continuous program
- review and monitor program for improvement of problem areas; records administration; administer biennial registration including fidelity bond requirement; provide statistics periodically
- develop a paperless fidelity bond review process
- outreach program with CMAs and AOAOs for "Steps to a Better Re-registration;" workshops including neighbor island sites; administer re-registration filing deadline and providing numerous advance communications on the deadline
- study, report, and initiate electronic/computerized/Scantron/bar coding application processing recommendations, or computer generated forms with

previous responses for recertification or amendments  
feasibility of internet re-registration process

- plan, develop, and administer any legislative amendments into registration program
- administer public list of all registered AOAOS including pertinent information for distribution upon request subject to copying fees, and via scanning include actual registration forms in REC webpage

**CONDOMINIUM SEMINARS AND SYMPOSIUM**

- continuous program
- produce seminars for the condominium community through contracts with various providers that provide for registration fee subsidies for apartment owners of registered AOAOS; continue to encourage new providers
- administer CRC educational advisory group to provide recommendations and input about CRC educational programs; group to include board members, resident managers, representatives from self managed AOAOS, CMAs, condominium organizations, and educators
- subject to resources and utilizing existing REC educational materials, produce cost effective seminars utilizing public facilities, staff, commissioners and volunteer speakers; no cost to apartment owners of registered AOAOS
- cancellation policy based on minimum early registration requirement, complimentary admission for Commissioners, staff members, RICO staff members
- produce a seminar on reserves, especially the cash flow funding method, collaborate with CAI-Hawaii and any other interested parties
- proactively seek additional consultants, especially on the neighbor islands

**CONDOMINIUM MANAGING AGENTS REGISTRATION**

- continuous program
- with Licensing Branch, administer program, registration procedures, forms, instructions, deadlines, deficiencies, enforcement, fidelity bond, etc. for improvement and problem resolutions

- develop a paperless fidelity bond review process
- administer re-registration program, participate in Batch Renewal Program; work with Licensing Branch for internet re-registration
- listing of all registered CMAs in REC webpage, including information on PB, fidelity bond, and preprinted lists to be available upon request

#### **CONDOMINIUM HOTEL OPERATOR REGISTRATION**

- continuous program
- administer registration program; administer the biennial CHO re-registration program, participate in Batch Renewal Program
- review and recommend amendments to the administration of CHO registration, including forms, information, records management, fidelity bond, review process, etc.
- provide listing of all registered CHOs upon request, including information on PB or not and fidelity bond or not, and include in REC webpage
- determine sources to locate unregistered CHOs, including county records, HVB, advertising, etc.; initiate initial compliance through education
- develop and distribute startup kits for CHOs, similar to CMAs

#### **RULE-MAKING, CHAPTER 107**

- carryover program
- study and evaluate Chapter 107, HAR, and Chapter 514A, HRS, for rule making; research, draft, review/comment by focus groups and other interested parties, informal consultation with Deputy Attorney General, include among others, REC decisions/informal opinions, formal opinions/declaratory rulings, deregulation without reducing consumer protection and reducing use of resources, etc.
- administer formal rule-making process; submit to formal process, notice and formal hearing; upon request, provide a copy of proposed rules; consider including proposed rules and/or hearing notice in REC webpage

- provide informal briefings by staff and/or Commissioner

## **MEETINGS**

- continuous program
- plan, coordinate, and conduct monthly Condominium Review Committee meetings; including arrangement for facilities, agenda, testifiers, and minutes, briefings to Chair and SEO, pre- and post meeting requirements; provide schedule of meetings and agendas to participants and include in REC webpage

## **GOVERNMENT AND LEGISLATIVE PARTICIPATION AND REPORT**

- continuous program
- jointly with ERC and the Real Estate Bulletin, research, develop, print, and distribute annual report to the Legislature on condominium education fund, program of work, budget, and mediation program; immediately upon completion to be submitted to REC webpage DEADLINE TO COMPLETE CONDO REPORT: November 15
- coordinate with Administration, provide briefings to Legislators and staff, act as resource, researching and drafting legislative bills/committee reports, submit testimony, present oral testimony, bill tracking
- respond to elected officials inquiries/complaints/requests for information/etc., including Governor, Lt. Governor, Director, Deputy Director, PVL Administrator, Congressional members, Legislators, Mayors, Council Members, and other government officials, including foreign governments and especially Pacific Rim countries; response to include research, troubleshooting, collaboration, mediation, and drafting response

## **LEGISLATIVE ACTS AND RESOLUTIONS**

- review and carry out responsibilities of Legislative Acts and resolutions, amend public copy of Chapter 514A, provide summary of condominium and related Acts and resolution for REC/staff/bulletin, etc.
- research, draft, and print any reports required by legislative Acts or resolutions or agreement

- amend public copy of Chapter 514A and work with ASO for its publication; study the feasibility of ramseyer format of public copy of Chapter 514A

#### **INTERACTIVE PARTICIPATION WITH ORGANIZATIONS**

- continuous program
- active participation with Hawaii, National, International and Pacific Rim organizations and government agencies for the exchange of information and concerns, sharing of educational and research efforts, joint projects of mutual concern, training, etc. through attendance, membership and participation at local, regional, national and international meetings
- CAI, CAI Hawaii Chapter, HCAAO, HICCO, Condominium Council of Maui, IREM, ARELLO, Hawaii State Bar, Zenkauren (Japan), Condominium Management Center of Japan, etc.
- Commissioner and staff member participants shall actively participate in all communications, attend all pertinent meetings/workshops, and take an assertive role in representing the interests of the Commission, PVLD, DCCA, and the State, especially in all certification programs, participants to provide a written report to Commission/PVLD/DCCA of all participation

#### **NEIGHBOR ISLANDS OUTREACH**

- continuous program
- hold a minimum of three CRC meetings at neighbor island site with ERC and LRRC, Islands of Kauai, Maui, and Hawaii are pre-selected sites and dates; plan for one and one-half day each
- consideration to hold meetings in collaboration with local boards, HAR, condominium organizations, etc.

#### **CONDOMINIUM EDUCATION FUND (CEF)**

- continuous program
- maintenance and review of budget, finance, and records for the Condominium Education Fund (CEF); preparation of quarterly and annual financial statements; preparation of annual budgets; administration of fund investment



- plan and work with DCCA for amendment to budget for funding of recodification program, personnel compensation, and additional education/ research programs subject to revenue projections
- finalize contract approval and initiate administration of the terms of the contract

#### **RULE MAKING, CHAPTER 53, FEES**

- continuous program
- monitor and review services provided in relation to fees, research/study, make recommendations, develop drafts, assist in formal rule making process including public hearing with Licensing Administrator
- administer with Licensing Administrator any submissions through review process, hearing, approval, and implementation

#### **CPR PROJECT WORKSHOP AND MEETINGS**

- continuous program
- research and update CPR project workshop materials
- facilitate periodic workshops (at least two per FY) for consultants' training purposes, new laws and rules orientation, amendments to policies and procedures, amended forms or forms development for consultants, staff and commissioners to ensure consistency and accuracy; with purpose for the consultants, consider consultant alternating as workshop lead and developing curriculum at least 30 days in advance
- orientation/training for new consultants
- facilitate a workshop with developers, attorneys, condo consultants, CMAs, AOA focus groups for purposes of discussion on governance issues and how to address it early the life of a CPR, from initial documents to 1st AOA meeting

#### **CONDOMINIUM SPECIALIST OFFICE FOR THE DAY**

- continuous program
- condominium specialists set up office at various neighbor island locations to meet and discuss condominium concerns with advanced publicity; upon request provide for training to RICO Investigators

- utilized for AOA/CMA/CHO re-registration workshops
- consider a joint program with Real Estate Specialist of the Day program
- consider and collaborate arrangements in conjunction with a function of a condominium organization and/or at a condominium organization office

#### **CONDOMINIUM SPEAKERSHIP PROGRAM**

- continuous program
- subject to resources and approvals, honor requests from condominium organizations, interested groups, colleges or universities, Legislators, government agencies, etc. for participation in some type of program as a speaker or resource concerning condominium issues; participant includes Condominium Specialist, Supervising Executive Officer, Executive Officer, or Commissioner

#### **NEW TECHNOLOGY PROGRAM**

- continuous program
- administration of in-house and network system, coordination with DCCA's coordinator, training of staff, purchases of hardware and software, programming, etc.
- utilize laptop computer with screen projection at meetings, symposiums, training, speakership, etc.
- utilize scanning for website, storage of public information, and other programs; develop CD ROM PC for review and use of educational materials and courses by the public
- continue the electronic storage, review, and printing of condominium project, public reports, association registration, etc. public information
- administer webpage with long range plan of including all condominium information, forms, database, etc. plus online registrations
- work with DCCA and PVL on plans on technology, computer systems, network, etc. including joint venturing on projects and purchases
- feasibility and purchase of fax on demand services for applicants, registrants, licensees, and the

public, which will include all applications, instructions, info sheets, etc.

- feasibility of purchasing a wireless PC-based telephone conferencing equipment to facilitate participation in neighbor island condominium community and developers

#### **CASE LAW REVIEW PROGRAM**

- continuous program
- monitor, collect, and report on judgements and decisions on Hawaii court cases, federal court cases, and other states court cases; material cases to be considered for Condo Bulletin; report on governance case studies

#### **START-UP KIT FOR NEW AOAOS AND NEW CMAS**

- continuous program
- distribute start-up kit to new condominium AOAOS and new CMAS; to include copy of §514A, rules, budget and reserves guide, board of director guide or brochures, past condominium bulletins, etc. with 3 ring binder
- including the reprinting of any necessary product

#### **RECORDS MANAGEMENT**

- continuous program
- administer and organize all records (paper and computer files), reference materials, reports, minutes, legislation, rules, AG opinions, contracts, etc.; consider distribution of expired records
- consider EH or consultant, or special training for staff
- administration of Records Report System and Uniform Information Practices Act with consultation with the Office of Information Practices; user friendly access to public information
- research options/alternatives for records storage (computer, scanning, optic readers, microfilm, etc.) and public information provided via local E-mail systems or e-government site, including capability of making own copies

- scan and provide electronic storage of records, including minutes

#### **COOPERATIVE EDUCATION, RESEARCH, AND ADMINISTRATIVE PROGRAM**

- continuous program
- actively participating and sponsor cooperative education research, and administrative programs for those Departments, Divisions, Branches that provide direct or indirect services

#### **DIVISION AND DEPARTMENT PROGRAM**

- continuous program
- coordinate activities and programs of mutual concern with PVL, RICO, and DCCA; Director's project on deregulation
- review, analyze, and coordinate positions on Chapter 436B as it relates to Chapter 514A with PVL and AG's Office, especially self-executing provisions
- coordinate and work with RICO on joint program on governance/management complaints and mediation, unified position/voice; see Condominium Mediation and Arbitration Program

#### **STAFF AND COMMISSIONERS DEVELOPMENT**

- continuous program
- development and training of REB staff and Commissioners for better administration of the condominium programs and issues
- assist in amendments to REC Reference Book by researching and drafting amendments relative to CRC and its programs
- participate in training of staff and commissioners as provided by CAI, ARELLO, REEA, CLEAR, and other organizations

#### **CONDOMINIUM REFERENCE LIBRARY**

- continuous program
- develop and continue to provide materials for a condominium reference library at public libraries (State Library System and Makiki Library), REC office, mediation services offices and possibly institutions of higher learning, especially on the

neighbor islands, stocked with purchased referenced materials, REC and HREREC materials; purchase and donate to specified public libraries condominium reference material, with REC name and CEF, and REC to initiate list of reference material and where located for associations; study and report on the feasibility of increasing and adding new educational materials at libraries, especially in high CPR concentrated areas, collaborate with CAI-Hawaii, and consider a internet reference library system including links with REC webpage and possible licensing arrangements with national providers such as CAI

- continuous publicity program upon development of reference library
- study and report on usage of condominium reference library materials at the State Library System and REC office
- develop and continue to maintain in REC webpage a catalog of all public reference materials provided to State Libraries and at REB office
- update all condominium library reference materials including board of directors chapters and its printing

## II. BUDGET

### A. REAL ESTATE RECOVERY FUND

**REAL ESTATE RECOVERY FUND**  
**FY 2004 Budget**

	FY 2004 Budget	FY 2003 Budget	FY 2003 Actual as of 4/30/03
<b>REVENUES</b>			
Application Fees	<u>\$40,000</u>	<u>\$50,000</u>	<u>\$66,150</u>
Total Revenues	\$40,000	\$50,000	\$66,150
 <b>EXPENDITURES</b>			
Personnel	\$35,000	\$25,000	\$18,984
Operations	25,000	25,000	43
Legal Services	70,000	50,000	26,403
Claims	<u>354,839</u>	<u>150,000</u>	<u>105,411</u>
Total Expenditures	\$484,839	\$250,000	\$150,841

REAL ESTATE RECOVERY FUND  
Fund Balance  
As of April 30, 2003  
(Estimated)

ASSETS

Cash	
In State Treasury	\$227,790
Short term cash investments	429,044
	<hr/>
Total Assets	\$656,834

LIABILITIES AND FUND BALANCE

Liabilities	
Payables	\$32,822
Investment income due to Real Estate Education Fund	<hr/> 80,259
Total Liabilities	113,081
Fund Balance	
Reserve for encumbrances	172
Unreserved	<hr/> 543,582
Total Fund Balance	543,754
Total Liabilities and Fund Balance	<hr/> <hr/> \$656,834



REAL ESTATE RECOVERY FUND  
Revenues and Expenditures  
For the 10 Months Ended April 30, 2003  
(Estimated)

Revenues	
Fees	\$66,150
Expenditures	
Operations	19,027
Legal Services	26,403
Claims	<u>105,411</u>
Total Expenditures	<u>150,841</u>
Excess (deficiency) of revenues over expenditures	(84,691)
Fund Balance	
Beginning of year	<u>628,445</u>
Year to date	<u><u>\$543,754</u></u>

REAL ESTATE RECOVERY FUND  
For the 10 Months Ended April 30, 2003  
(Estimated)

	-----YEAR TO DATE-----				-----FISCAL YEAR-----		
	Actual	Budget	Variance	%	Budget	Balance Remain.	% Remain.
REVENUES							
Application Fees	\$66,150	\$41,667	\$24,483	159%	\$50,000	(\$16,150)	-32%
Total Revenues	\$66,150	\$41,667	\$24,483	159%	\$50,000	(16,150)	-32%

	-----YEAR TO DATE-----				-----FISCAL YEAR-----		
	Actual	Budget	Variance	%	Budget	Balance Remain.	% Remain.
EXPENDITURES AND ENCUMBRANCES							
Operations	\$19,199	\$41,667	(\$22,468)	46%	\$50,000	\$30,802	62%
Legal Services	26,403	41,667	(15,263)	63%	50,000	23,597	47%
Claims	105,411	125,000	(19,589)	84%	150,000	44,589	30%
Total Expenditures and Encumbrances	\$151,013	\$208,333	(\$57,320)	72%	\$250,000	\$98,987	40%

Claims Paid

Licensee	Amount	Case. No.	Meeting Date
Maxine Melchin and Melchin Realty	\$14,566.60	Civ. No. 1RC99-6177	June 28, 2002
Maxine Melchin and Melchin Realty	15,844.58	Civ. No. 1RC00-1391	June 28, 2002
Karen Jeffrey dba Pacific Island Investments	50,000.00	Civ. No. CV00-00564	October 30, 2002
Severino Galacgac	25,000.00	Civ. No. 98-0434	March 28, 2003
	<u>\$105,411.18</u>		

## II. BUDGET

### B. REAL ESTATE EDUCATION FUND

**REAL ESTATE EDUCATION FUND**  
**Fiscal Year 2004 Budget**

	FY 2004	FY 2003	FY 2003
	Budget	Budget	Actual (4/30/03)
<b>REVENUES</b>			
Application and Renewal Fees	\$91,000	\$496,000	\$618,808
Interest	5,000	8,132	11,512
<b>Total Revenues</b>	<b>\$96,000</b>	<b>\$504,132</b>	<b>\$630,320</b>
<b>EXPENDITURES</b>			
<b>I. Operations</b>			
Personnel	\$265,177	\$242,205	\$162,612
Supplies	2,000	4,000	1,035
Postage	4,000	4,000	3,043
Equipment Rentals/Maintenance	7,500	12,000	5,339
Machinery and Equipment	500	5,000	284
<b>Total Operations</b>	<b>279,177</b>	<b>267,205</b>	<b>172,313</b>
<b>II. Direct Licensee Education</b>			
Advice, Education, Referral	1,000	1,500	842
Meetings	500	1,000	0
Legislative / Government Participation	500	1,000	0
Neighbor Islands Outreach	4,000	2,500	479
Annual Report and Quarterly Bulletin	30,000	30,000	40,554
Real Estate Seminars	9,000	1,500	0
Instructor's Development Workshop	2,500	1,500	0
Programs (note 1)	44,600	36,500	9,387
<b>Total Direct Licensee Education</b>	<b>92,100</b>	<b>75,500</b>	<b>51,262</b>
<b>III. Indirect Licensee Education</b>			
Division and Department Programs	500	1,000	0
Interactive Participation w/Orgs.	6,000	6,000	5,789
Records Management	500	1,100	0
Cooperative Ed., Res., Admin. Prog.	500	1,000	0
Staff / Commissioners Development	500	3,000	0
Miscellaneous	250	750	0
Books	250	500	0
Dues & Subscriptions	1,000	1,000	852
Newspaper Ads	250	1,000	0
<b>Total Indirect Licensee Education</b>	<b>9,750</b>	<b>15,350</b>	<b>6,641</b>
<b>Total Expenditures and Encumbrances</b>	<b>\$381,027</b>	<b>\$358,055</b>	<b>\$230,216</b>

## EDUCATION FUND NOTES

### 1. Programs

<u>Laws and Rules Review Committee Programs</u>			
Rulemaking, Ch. 99	\$500	\$1,000	\$0
Subcommittees	\$1,000	0	0
Interactive Participation w/Organizations	9,500	9,500	6,989
Legislative Acts and Resolutions	500	1,500	0
Licensing Renewal	0	1,500	384
Commissioners Education Program	1,500	1,500	0
<u>Education Committee Programs</u>			
Continuing Education Core Course	8,000	6,000	0
Broker Curriculum and Resources	12,750	2,500	0
Administration of Prelicense Educ. Prog.	500	750	0
Administration of Examinations	500	750	0
Administration of CE Program, Providers, Instructors	500	1,000	341
Administration of CE Elective Courses	1,500	750	1,415
Evaluation and Education System for CE and Prelicense Instru	1,000	0	0
Real Estate Specialist Office for the Day	750	750	0
Real Estate Speakership Program	750	750	0
New Technology Program and REC Web Site	4,850	7,500	258
Real Estate Reference Library	500	750	0
<hr/>			
Total Programs	\$44,600	\$36,500	\$9,387

REAL ESTATE EDUCATION FUND

Fund Balance  
As of April 30, 2003  
(Estimated)

ASSETS

Cash	
In State Treasury	\$332,781
Short term cash investments	795,483
Investment securities (cost)	88,833
Investment income due from Recovery Fund	<u>80,259</u>
Total Assets	\$1,297,356

LIABILITIES AND FUND BALANCE

Liabilities	
Payables	\$48,377
Fund Balance	
Reserve for Encumbrances	21,472
Unreserved	<u>1,227,507</u>
Balance	<u>1,248,979</u>
Total Liabilities and Fund Balance	<u><u>\$1,297,356</u></u>

REAL ESTATE EDUCATION FUND  
Revenues and Expenditures  
For the 10 Months Ended April 30, 2003  
(Estimated)

Revenues

Fees	\$618,808
Dividends and Interest	<u>11,512</u>
Total Revenues	630,319

Expenditures	<u>208,743</u>
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Excess (Deficit) of revenues over expenditures	421,576
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Fund Balance

Beginning of Year	<u>827,403</u>
Year to Date	<u><u>\$1,248,979</u></u>

REAL ESTATE EDUCATION FUND  
REVENUES  
For the 10 Months Ended April 30, 2003

	-----YEAR TO DATE-----				-----FISCAL YEAR-----		
	Actual	Budget	Variance (Under)	% Budget		Balance Remain.	% Remain.
Application and Renewal Fees	\$618,808	413,333	\$205,474	150%	\$496,000	(\$122,808)	-25%
Interest	11,512	6,777	4,735	170%	8,132	(3,380)	-42%
Total Revenues	\$630,319	\$420,110	\$210,209	150%	\$504,132	(\$126,187)	-25%

EXPENDITURES AND ENCUMBRANCES

	-----YEAR TO DATE-----				-----FISCAL YEAR-----		
	Actual	Budget	Variance (Under)	% Budget		Balance Remain.	% Remain.
I. Operations							
Personnel	\$162,612	\$201,838	(\$39,226)	81%	\$242,205	\$79,593	33%
Supplies	1,035	3,333	(2,298)	31%	4,000	2,965	74%
Postage	3,043	3,333	(291)	91%	4,000	957	24%
Equipment Rentals/Maintenance	5,339	10,000	(4,661)	53%	12,000	6,661	56%
Machinery and Equipment	284	4,167	(3,883)	7%	5,000	4,716	94%
Total Operations	172,313	222,671	(50,358)	77%	267,205	94,892	36%
II. Direct Licensee Education							
Advice, Education, Referral	842	1,250	(408)	67%	1,500	\$658	44%
Meetings	0	833	(833)	0%	1,000	1,000	100%
Legislative / Government Participation	0	833	(833)	0%	1,000	1,000	100%
Neighbor Islands Outreach	479	2,083	(1,604)	23%	2,500	2,021	81%
Annual Report and Quarterly Bulletin (note 2)	40,554	25,000	15,554	162%	30,000	(10,554)	-35%
Real Estate Seminars	0	1,250	(1,250)	0%	1,500	1,500	100%
Instructor's Development Workshop	0	1,250	(1,250)	0%	1,500	1,500	100%
Programs (note 1)	9,387	30,417	(21,030)	31%	36,500	27,113	74%
Total Direct Licensee Education	51,262	62,917	(11,655)	81%	75,500	24,238	32%
III. Indirect Licensee Education							
Division and Department Programs	0	833	(833)	0%	1,000	1,000	100%
Interactive Participation w/Orgs.	5,789	5,000	789	116%	6,000	211	4%
Records Management	0	917	(917)	0%	1,100	1,100	100%
Cooperative Ed., Res., Admin. Prog.	0	833	(833)	0%	1,000	1,000	100%
Staff / Commissioners Development	0	2,500	(2,500)	0%	3,000	3,000	100%
Miscellaneous	0	625	(625)	0%	750	750	100%
Books	0	417	(417)	0%	500	500	100%
Dues & Subscriptions	852	833	19	102%	1,000	148	15%
Newspaper Ads	0	833	(833)	0%	1,000	1,000	100%
Total Indirect Licensee Education	6,641	12,792	(6,151)	52%	15,350	8,709	57%
Total Expenditures and Encumbrances	\$230,215	\$298,379	(\$68,164)	77%	\$358,055	\$127,840	36%



EDUCATION FUND NOTES  
April 30, 2003

1. Programs

	-----YEAR TO DATE-----				-----FISCAL YEAR-----		
	Actual	Budget	Variance	%	Budget	Balance Remain.	% Remain.
<u>Laws and Rules Review Committee Programs</u>							
Rulemaking, Ch. 99	\$0	\$833	(\$833)	0%	\$1,000	\$1,000	100%
Interactive Participation w/Organizations	6,989	7,917	(928)	88%	9,500	2,511	26%
Legislative Acts and Resolutions	0	1,250	(1,250)	0%	1,500	1,500	100%
Licensing Renewal	384	1,250	(866)	31%	1,500	1,116	74%
Commissioners Education Program	0	1,250	(1,250)	0%	1,500	1,500	100%
<u>Education Committee Programs</u>							
Continuing Education Core Course	\$0	\$5,000	(\$5,000)	0%	\$6,000	\$6,000	100%
Broker Curriculum and Resources	0	2,083	(2,083)	0%	2,500	2,500	100%
Administration of Prelicense Educ. Prog.	0	625	(625)	0%	750	750	100%
Administration of Examinations	0	625	(625)	0%	750	750	100%
Administration of CE Program, Providers, Instru	341	833	(492)	41%	1,000	659	66%
Administration of CE Elective Courses	1,415	625	790	226%	750	(665)	-89%
Real Estate Specialist Office for the Day	0	625	(625)	0%	750	750	100%
Real Estate Speakership Program	0	625	(625)	0%	750	750	100%
New Technology Program and REC Web Site	258	6,250	(5,992)	4%	7,500	7,242	97%
Real Estate Reference Library	0	625	(625)	0%	750	750	100%
Total Programs	\$9,387	\$30,417	(\$21,030)	31%	\$36,500	\$27,113	74%

2. Annual Report and Quarterly Bulletin includes prepaid postage.

## II. BUDGET

### C. CONDOMINIUM MANAGEMENT EDUCATION FUND

CONDOMINIUM EDUCATION FUND  
Fiscal Year 2004 Budget

	FY 2004	FY 2003	FY 2003
	Budget	Budget	Actual
REVENUES			(4/30/03)
Application and Renewal Fees	\$32,850	\$474,193	\$24,059
Interest	5,000	21,303	0
Total Revenues	\$37,850	\$495,496	\$24,059

	FY 2004	FY 2003	FY 2003
	Budget	Budget	Actual
EXPENDITURES			(04/30/03)
Personnel	\$343,920	\$315,586	\$220,265
Supplies	1,000	7,500	830
Postage	7,500	5,000	4,000
Equipment Rentals/Maintenance	10,000	12,000	5,891
Contingency	500	1,000	0
Education and Research (Program of Work)	112,511	98,636	36,577
Equipment for Office	4,000	5,000	0
Staff/Commissioner Development	0	5,000	1,293
Resource Material	500	1,000	
Dues and Subscriptions	500	1,375	770
Miscellaneous	1000	1,000	207
Total Other Expenses	481,431	453,097	269,833
Recodification of Chapter 514A	95,000	71,776	
<b>TOTAL EXPENDITURES</b>	<b>576,431</b>	<b>524,873</b>	

Condominium Program of Work

Advice, Education, Referral	37,000	1,000	0
Condominium Project and Developer's Public Report	1,000	1,000	0
Hawaii Condominium Bulletin	20,000	20,000	12,809
Condominium Mediation and Arbitration Program	15,000	5,500	7,150
Condominium Association Registration	0	5,000	0
Condominium Seminars and Symposium	20,000	32,625	2,235
Condominium Managing Agents Registration	0	500	0
Condominium Hotel Operator Registration	0	0	0
Rule-Making, Chapter 107	0	1,000	0
Meetings	0	500	23
Government and Legislative Participation and Report	500	1,000	0
Legislative Acts and Resolutions	0	1,000	0
Interactive Partnerships and Organizations	4,500	12,500	12,925
Neighbor Islands Outreach	4,000	2,500	897
Condominium Education Fund (CEF)	0	1,000	0
Rule Making, Chapter 53, Fees	0	0	0
CPR Project Workshop and Meetings	500	1,000	0

Condominium Specialist of the Day	1,000	2,000	429
Condominium Speakership Program	500	1,000	0
New Technology Program	0	4,000	79
Case Law Review Program	0	0	0
Start-Up Kit for New AOAOS	500	1,000	0
Records Management	0	2,000	0
Cooperative Education, Research, and Administrative Program	0	1,000	0
Division and Department Program	0	1,000	0
Staff and Commissioners Development	0	5,000	0
Condominium Reference Library	<u>8,011</u>	<u>511</u>	<u>30</u>
<b>Total Condominium Program of Work</b>	<b>112,511</b>	<b>103,636</b>	<b>36,577</b>

CONDOMINIUM MANAGEMENT EDUCATION FUND

Fund Balance  
As of April 30, 2003  
(Estimated)

ASSETS

Cash	
In State Treasury	\$290,416
Cash Invested	<u>450,000</u>
Total Assets	\$740,416

LIABILITIES AND FUND BALANCE

Liabilities	
Payables	\$55,665
Fund Balance	
Reserve for Encumbrances	7,526
Unreserved	<u>677,225</u>
Total Fund Balance	<u>684,751</u>
Total Liabilities and Fund Balance	<u><u>\$740,416</u></u>

06/13/2003

CONDOMINIUM MANAGEMENT EDUCATION FUND

Revenues and Expenditures  
For the 10 Months Ended April 30, 2003  
(Estimated)

Revenues	
Fees	\$24,059
Total Revenues	<u>24,059</u>
Expenditures	<u>262,307</u>
Excess of revenues over expenditures	(238,249)
Fund Balance	
Beginning of year	<u>923,000</u>
Year to date	<u><u>\$684,751</u></u>

CONDOMINIUM MANAGEMENT EDUCATION FUND  
BUDGET V. ACTUAL  
April 30, 2003

	----- YEAR TO DATE -----				----- FISCAL YEAR -----		
	Actual	Budget	Variance	%	Budget	Balance Remain.	% Remain.
<b>REVENUES</b>							
Association and Developer Contributions	\$24,059	\$395,161	(\$371,102)	6%	\$474,193	\$450,134	95%
Interest	0	2,130	(2,130)	0%	21,303	21,303	100%
<b>Total Revenues</b>	<b>\$24,059</b>	<b>\$397,291</b>	<b>(\$373,232)</b>	<b>6%</b>	<b>\$495,496</b>	<b>\$471,437</b>	<b>95%</b>
	----- YEAR TO DATE -----				----- FISCAL YEAR -----		
	Actual	Budget	Variance	%	Budget	Balance Remain.	% Remain.
<b>EXPENDITURES AND ENCUMBRANCES</b>							
Personnel	\$220,265	\$322,793	(102,528)	68%	\$387,352	167,087	43%
Supplies	830	6,250	(5,420)	13%	7,500	6,670	89%
Postage	4,000	4,167	(167)	96%	5,000	1,000	20%
Equipment Rentals/Maintenance	5,891	10,000	(4,109)	59%	12,000	6,109	51%
Contingency	0	833	(833)	0%	1,000	1,000	100%
Education and Research (1)	36,577	82,197	(45,619)	44%	98,636	62,059	63%
Equipment for Office	0	4,167	(4,167)	0%	5,000	5,000	100%
Staff/Commissioner Development	1,293	4,167	(2,874)	31%	5,000	3,707	74%
Resource Materials	0	833	(833)	0%	1,000	1,000	100%
Dues & Subscriptions	770	1,146	(376)	67%	1,375	605	44%
Miscellaneous	207	833	(627)	25%	1,000	793	79%
<b>Total Expenditures and Encumbrances</b>	<b>\$269,833</b>	<b>\$437,386</b>	<b>(\$167,553)</b>	<b>62%</b>	<b>\$524,863</b>	<b>\$255,030</b>	<b>49%</b>
<b>Less Current Encumbrances</b>	<b>\$7,526</b>						
<b>Total Current Expenditures</b>	<b>\$262,307</b>						

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CONDOMINIUM MANAGEMENT EDUCATION FUND - NOTES  
April 30, 2003

|----- YEAR TO DATE -----| |----- FISCAL YEAR -----|

	Actual	Budget	Variance	%	Budget	Balance Remaining	% Remain.
Advice, Education, and Referral	\$0	\$833	(833)	0%	\$1,000	\$1,000	100%
Condominium Proj. and Dev.Public Reprts.	0	833	(833)	0%	1,000	1,000	100%
Hawaii Condominium Bulletin	12,809	16,667	(3,857)	77%	20,000	7,191	36%
Condominium Mediation and Arbitration	7,150	4,583	2,567	156%	5,500	(1,650)	-30%
Condominium Association Registration	0	4,167	(4,167)	0%	5,000	5,000	100%
Condominium Seminars and Symposium	2,235	27,188	(24,953)	8%	32,625	30,390	93%
Condominium Managing Agents Reg.	0	417	(417)	0%	500	500	100%
Condominium Hotel Operator Registration	0	0	0	NA	0	0	NA
Rulemaking Ch. 107	0	833	(833)	0%	1,000	1,000	100%
Meetings	23	417	(394)	6%	500	477	95%
Government and Legislative Participation	0	833	(833)	0%	1,000	1,000	100%
Legislative Acts and Resolutions	0	833	(833)	0%	1,000	1,000	100%
Interactive Participation w/Organizations	12,925	10,417	2,508	124%	12,500	(425)	-3%
Neighbor Islands Outreach	897	2,083	(1,187)	43%	2,500	1,603	64%
Condominium Management and Education Fund	0	833	(833)	0%	1,000	1,000	100%
Rulemaking Ch. 53	0	0	0	NA	0	0	NA
CPR Project Workshop and Meetings	0	833	(833)	0%	1,000	1,000	100%
Condominium Spec. Office for the Day	429	1,667	(1,238)	26%	2,000	1,571	79%
Condominium Speakership Program	0	833	(833)	0%	1,000	1,000	100%
New Technology Program	79	3,333	(3,254)	2%	4,000	3,921	98%
Case Law Review Program	0	0	0	NA	0	0	NA
Start-up Kit for New AOA's and CMA's	0	833	(833)	0%	1,000	1,000	100%
Records Management	0	1,667	(1,667)	0%	2,000	2,000	100%
Cooperative Educ., Research, and Admin.	0	833	(833)	0%	1,000	1,000	100%
Division and Department Program	0	833	(833)	0%	1,000	1,000	100%
Condominium Reference Library	30	426	(396)	7%	511	481	94%
	<u>\$36,577</u>	<u>\$82,197</u>	<u>(45,619)</u>	<u>44%</u>	<u>\$98,636</u>	<u>\$62,059</u>	<u>63%</u>

06/13/2003